

O/532/17

TRADE MARKS ACT 1994

APPLICATIONS 501124, 501125, 501426 AND 501427

BY BRANDCONCERN BV

TO REVOKE TRADE MARKS 2107935 AND 2234922

IN THE NAME OF SCOOTERS INDIA LIMITED

FOR NON-USE

Background

1. On 5th October 2017 I issued a provisional decision in these revocation proceedings in which I found that Scooters India Limited (“SIL”) had not shown any genuine use of LAMBRETTA in the UK during the period 27th January 2011 and 26th January 2016, either on its own account, or with its consent. Therefore, UK trade marks 2109735 and 2234922 should be revoked for non-use under s.46(1)(b) of the Act as of 27th January 2016.

2. Mr Wood of Wood IP, who represents the applicant in these proceedings, Brandconcern B.V. (“Brandconcern”), appeared at a hearing on 28th September 2017 when he asked for off-scale costs. This was on the basis that:

- (1) SIL unfairly burdened Brandconcern by filing an excessive volume of evidence, much of which was irrelevant, and
- (2) SIL acted unreasonably by failing to concede that the trade marks should be revoked with effect from 27th January 2016, at least after it had seen (and failed to reply to) the evidence of Mr Wilch and Mr Vaga on behalf of Brandconcern.

3. In my provisional decision I rejected point (1) above. I said that although it was true that SIL filed an excessive volume of evidence, most of the irrelevant evidence would have been very familiar to Brandconcern because it had been filed in previous revocation proceedings between the same parties. I therefore rejected the submission that identifying and excluding the irrelevant material necessarily caused Brandconcern an excessive or unreasonable amount of work.

4. I had more sympathy with point (2) of Brandconcern’s case. I agreed that, having seen the evidence of Mr Wilch and Mr Vaga, it should have been obvious that SIL was not going to be able to take the benefit of any use of LAMBRETTA after October 2010 by SIL’s licensee, Lambretta Clothing Company Limited or its sub-licensees, and there was no other relevant use of the mark. Indeed, as SIL did not challenge or even respond to the evidence of Mr Wilch and Mr Vaga, I think this must have been apparent to SIL. Despite this, SIL did not concede the revocations.

5. In these circumstances, I gave Mr Wood 14 days in which to particularise Brandconcern's application for off-scale costs in relation to the hearing. I noted that this was the only thing that seems to have happened since Brandconcern filed its evidence and that the hearing lasted less than an hour (SIL did not appear at the hearing).

6. I directed that SIL should have 14 days from receipt of Mr Wood's application to provide written comments on it.

7. I subsequently received a letter dated 11th October from Mr Wood particularising Brandconcern's application for off-scale costs and making submissions as to the appropriate level of scale costs (in relation to matters for which he accepted that the scale should be applied). The key points are:

- Contrary to the assumption in my provisional decision, it was not straightforward to dismiss old evidence (going to earlier time periods) and concentrate on SIL's new evidence going to the relevant periods.
- As there are four consolidated proceedings and the evidence had to cover all four, an award of cost above the usual scale would be justified anyway.
- In view of the excessive volume of SIL's evidence, the scale costs for preparing Brandconcern's evidence and considering SIL's evidence should be applied twice, or an above-scale award made.
- £6656.66 was sought in respect of the work involved in preparing/reviewing evidence, reflecting the 24 hours 15 minutes @ £300 per hour spent on this.
- £1241.60 of this (3 hours 15 minutes work plus disbursements) was spent reviewing SIL's evidence.
- The amount spent preparing Brandconcern's evidence (£5414.96) reflected an attempt to provide well marshalled and controlled evidence rather than to burden the hearing with the task of extracting relevant material from a mass of untargeted papers. This approach should be encouraged, not discouraged, in costs awards.

8. I received a response dated 17th October from Boulton, Wade Tennant, SIL's representatives. The key points are:

- Contrary to my directions, Brandconcern was seeking off-scale costs for the whole process, not just the hearing.
- SIL does not dispute Brandconcern's claim for £570 spent in preparing for the hearing.
- SIL disputes Brandconcern's claim for £300 for the hearing on the basis that this is an hour's professional fees whereas the hearing is recorded as having lasted less than an hour.
- The filing of revocation applications 501426/7 on 4th November 2016 followed quite quickly on the filing of revocation applications 501124/5 on 1st February 2016. Apart from identifying later periods of alleged non-use, the applications were duplicative and led to 4 applications and counterstatements when 2 would have done.
- Given that Brandconcern had seen it before, the amount of time spent reviewing SIL's evidence was excessive, as was the amount spent preparing Brandconcern's evidence.

Decision on costs

9. Rule 67 of the Trade Mark Rules 2008 gives the registrar the power to award costs. Scale costs are intended to provide a contribution towards the cost of proceedings, not to provide full compensatory costs. However, in the well-known *Rizla* decision¹ the court accepted that the registrar has the power to award costs on a compensatory basis. Anthony Watson QC, sitting as a deputy judge, stated that:

“As a matter of jurisdiction, I entertain no doubt that if the Comptroller were of the view that a case had been brought without any bona fide belief that it was soundly based or if in any other way he were satisfied that his jurisdiction was being used other than for the purpose of resolving genuine disputes, he has the power to order compensatory costs. It would be a strange result if the Comptroller were powerless to order more than a contribution from a party who had clearly abused the Comptroller's jurisdiction.

The superintending examiner in his decision correctly, in my view, framed the issue he had to decide as: “...whether the conduct of the referrer constituted

¹ *Rizla Ltd's Application* [1993] RPC 365 at 377

such exceptional circumstances that a standard award of costs would be unreasonable.”

10. In my view, the decision not to concede the revocation applications after seeing the evidence of Mr Wilch and Mr Vaga was unreasonable. It can only have been intended to put Brandconcern to the inconvenience and cost of having to continue these proceedings. This is an exceptional circumstance which, in principle, justifies compensatory costs for the actions that Brandconcern subsequently and reasonably took to pursue these proceedings to a conclusion. This does not apply to the costs associated with earlier events in the proceedings.

11. I still do not consider that Brandconcern was unreasonably burdened by having to spend 3 hours and 15 minutes reviewing SIL’s evidence. I will therefore stick to scale costs for this work.

12. I will take into account that these are consolidated proceedings when deciding how to apply the scale. However, given that the relevant facts largely overlapped all the proceedings, I do not consider it appropriate to provide double scale costs.

13. The first set of revocation applications were filed on 1st February 2016, before the current scale was applied on 1st July 2016.² The consolidation with later filed revocation proceedings cannot have the effect of retrospectively applying the new scale. Therefore, the previous scale of costs should apply to the evidence rounds.

14. I accept that Brandconcern’s evidence was well marshalled and controlled. I will take this into account in deciding on appropriate scale costs. However, this cannot justify awarding off-scale costs for preparing Brandconcern’s evidence on the basis of the SIL’s unreasonable (in the sense of lack of appropriate) response to that evidence.

15. As SIL does not dispute the amount claimed for preparing for the hearing, I will award compensatory costs for this, i.e. £570.

² See Tribunal Practice Notice 2/2016

16. SIL disputes the amount claimed for the hearing (£300) on the basis that it did not last the full hour claimed. This is pernicky. Even when held by telephone, the time spent on a hearing does not start the minute the hearing starts and end the minute it finishes. The effect of stopping other work for the hearing and then picking it back up again means that the effect on the participant's working day(s) is larger than the length of the hearing, particularly when the hearing is short. Therefore, I will award the claimed 1 hour/£300 compensatory costs for the hearing.

17. I will award on-scale costs the remainder of the proceedings, as follows.

Filing 4 applications for revocation	£900
Considering 4 counterstatements	£350
Considering SIL's evidence and preparing Brandconcern's evidence	£2000
Providing/considering written submissions on costs	£200

18. Adding the £870 awarded on a compensatory basis this comes to £4320. I therefore order Scooters India Limited to pay Brandconcern B.V. the sum of £4320. This sum to be paid within 21 days of the date of this decision.

Final decision on revocation of trade mark registrations 2107935 & 2134922

19. For the reasons given in my provisional decision, the above trade mark registrations will be revoked with effect from 27th January 2016. This is a final decision and the period for appeal runs from the date shown below.

Dated this 23rd Day of October 2017

**Allan James
For the Registrar**